



WISCONSIN STATE ASSEMBLY
Christine Sinicki
STATE REPRESENTATIVE

CHAIR, COMMITTEE ON LABOR

March 24, 2010

To: Honorable Chairman Young and Members, Assembly Housing Committee

From: Representative Christine Sinicki

Re: Support for **Assembly Bill 817, Wisconsin Employer Assisted Housing Act**

Thank you for your time this morning in considering this important measure. The idea behind **AB 817** is to help employers help employees find affordable housing.

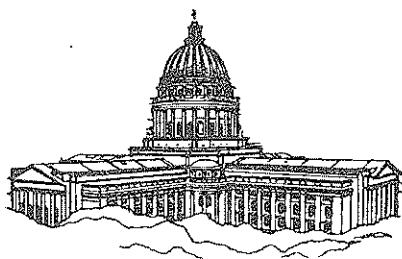
This bill directs the Wisconsin Housing and Economic Development Authority to establish and administer a program which will award tax benefits to employers who implement a qualifying employer-assisted housing program.

AB 817 defines how employee assisted housing must be structured to qualify for tax benefits and specifies the criteria employees would need to meet to be eligible. Under this proposal WHEDA, as the administering authority, is required to establish criteria, policies and requirements to be met by a participating employer seeking certification.

Certified, participating employers would enjoy benefits if they incur at least \$10,000 of qualifying housing expenses. The amount the employer may claim is equal to either 50% of the employers qualified housing expenses. In addition, and importantly given the challenges we face in the housing market and the employment market, the bill encourages employers to help put their employees on the path to home-ownership by allowing employers to claim 90% of the employers qualified housing expenses if the expenses are paid to an employee who is purchasing an eligible property which is in foreclosure.

AB 817 will help employers offer attractive benefits to employees, helping to create and retain quality jobs, while at the same time incentivizing homeownership and the purchase of foreclosed properties.

Thank you, Mr. Chairman and Members for your time and consideration of my remarks.



LENA C. TAYLOR

Wisconsin State Senator • 4th District

HERE TO SERVE YOU!

Testimony of Senator Lena C. Taylor

Committee on Housing

AB 817 Wisconsin Employer Assisted Housing Act

March 24, 2010

Honorable Members of the Committee,

Thank you for taking testimony today on AB 817 – the Wisconsin Employer Assisted Housing Act. AB 817 will set the foundation for Wisconsin's economic growth at the ground level, at main street, where all Wisconsin residents will have an increased opportunity to access to life's most basic amenity: housing. This bill charges the Wisconsin Housing and Economic Development Authority (WHEDA) with the task of developing and administering a program that will grant tax benefits to employers who offer qualifying employer-assisted housing programs to employees.

As early as 1992, the Wisconsin Electric Power Company approached Select Milwaukee, a non profit organization supporting home buying to develop a home buying program for its employees.¹ Companies like Wisconsin Electric have seen the tangible benefits of this program.

This bill means stability, morale, lower turnover rates and productivity in the workplace, which in this economy serves to rev up Wisconsin's economic engine. Homebuyers can gain personal and financial security by purchasing a home, as well as the added ability to accumulate wealth through the equity in their home. This measure serves those that need it the most, the only eligible employees are those that have an annual gross household income not exceeding 120 percent of the area median gross household income.

Blight in areas like Milwaukee will be combated by this bill as rates of owner-occupancy will contribute to the revitalization and economic stability for many neighborhoods. In a time when families that are struggling to keep a roof over their heads, employers have an incentive to support their employees to have a chance for stable housing, a bedrock of financial independence.

Under this bill, an employer can claim tax benefits when at least \$10,000 in qualified housing expenses is incurred. The amount that the employer can claim to collect on these benefits is 50 percent of the qualified expenses. This amount rises to 90 percent if the property is a foreclosure. This added incentive speaks to a focus on revitalizing neighborhoods that need it the most.

Wisconsin is not the only state with such a program. An estimated \$1.1 million in employer dollars went to help employees purchase homes in Illinois in 2008. Wisconsin cannot afford to lag behind economically; this measure keeps our economy and our citizens moving forward.

Today you will hear and read from others about the successes of this program. Your support of this bill is crucial for the advancement of this program that can generate great returns for our employees, employers, and communities.

¹ <http://www.huduser.org/periodicals/fieldworks/0603/fworks1.html>



Department of Administration
Intergovernmental Relations Division

Tom Barrett
Mayor

Sharon Robinson
Director of Administration

Audra Brennan
Director of Intergovernmental Relations

March 24, 2010

To: Representative Leon Young, Chairman, & Members of the Assembly Committee on Housing

From: City of Milwaukee Intergovernmental Relations Division

Re: Support for AB 817 – Wisconsin Employer Assisted Housing Act

The combined forces of foreclosures, a stagnant housing market and public and non-profit affordable housing initiatives have moderated housing prices throughout the state. Yet, the mismatch between household incomes and housing costs remains; stable and affordable housing is still elusive for many working families in Milwaukee and throughout the State of Wisconsin.

AB 817, the WI Employer Assisted Housing Act, is a new tax credit program that will help employers throughout the state to assist in providing affordable homeownership for Wisconsin families, and we ask for your support for this legislation. Employer-Assisted Housing (EAH) are benefits that employers provide employees in order to assist their workforce achieve the goal of homeownership.

Employees benefit with direct assistance helping to cover costs of purchasing a home including: assistance with a down payment, closing costs, education and counseling services, assistance for purchasing foreclosed properties, etc. Employers then benefit because this program assists with employee recruitment, retention, productivity and morale. In addition to the tax benefits that employers receive under the program, other businesses throughout the private sector will benefit from EAH due to the amount of private funds that will be leveraged.

The City of Milwaukee is committed to building stronger neighborhoods and addressing the negative impacts that the downturn in the housing market has had on homeowners. The EAH program is an innovative approach, and parallels and complements the efforts that Mayor Barrett's Milwaukee Foreclosure Partnership Initiative has done to mitigate the impact of foreclosures; the Neighborhood Stabilization Program has done to assist homebuyers purchase foreclosed properties; and the Milwaukee Housing Trust Fund's efforts to assist low-income households with obtaining and maintaining affordable housing.

We thank you for considering AB 817, and again we ask for your support for this important legislation.

March 22, 2010

Representative Leon Young
Room 11 North
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Young:

I am a successful and proud homeowner thanks to (Aurora Health Care) employer assisted homeownership program and the services and resources I received from Select Milwaukee. The help and resources made all the difference in the world to my family and me. Because I think more working people should have the opportunity for homeownership, I am writing to express my support for AB 817 about employer assisted housing.

If it would not have been for the assistance that I received from the program that's offered through my job and the help I received from Select Milwaukee, I don't think my dream of becoming a homeowner would have ever become a reality. I know that I would have never been able to come up with the down payment on my home by my-self. The people at Select Milwaukee help me so much by sitting down with me going over my monthly expenses. By doing this we determined that I would be able to become a homeowner. They gave me a listing of grants that I would be eligible for.

With the Employee Assistance loan and the Hickory grant my dream has finally become a reality. I know that without the help from these two companies I would have never been able to do it. Being a homeowner means everything to my family and I. Now when I pick my 5-year-old son up from school he says Mommy are we going to our new house? That's the best feeling in the world to say to him yes and it let's me know that I made the right decision by becoming a homeowner. It's one of the best feelings in the world next to becoming a parent.

I know these are challenging times, but increasing employer assisted homeownership through AB 817 is an opportunity to bring together government and the nonprofit and private sectors to strengthen our communities through homeownership by helping more families like mine achieve successful homeownership.

Thank you for your leadership on this important issue.

Sincerely,

Stephanie C. Carter

cc: Rep. Polly Williams
Rep. Robert Turner
Rep. Sandy Pasch
Rep. Roger Roth
Rep. Scott Newcomer
Rep. John Murtha

March 22, 2010

Representative Leon Young
Room 11 North
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Young:

I am a successful and proud homeowner thanks to Aurora Visiting Nurse Association employer assisted homeownership program and the services and resources I received from Select Milwaukee. The help and resources made all the difference in the world to my family and me. Because I think more working people should have the opportunity for homeownership I've had, I am writing to express my support for AB 817 about employer assisted housing.

The EAH program at Aurora VNA has meant so much to me, because without this program I really do not think I could have closed on my home Nov. 10, 2009. I am a single mother of five children and I could not have imagined where I would have to come up with closing costs on my own. Select Milwaukee is a blessing in the skies, without their help my journey and dream of becoming a homeowner would have been abandoned. The process to becoming a homeowner is very frustrating and I know without the help of Select Milwaukee I would have given up. I would not have known about all the grants and programs I qualified for, all the paper work needed and all the education I received to become a homeowner. I thank them so much everyday when I look out at the view from the window of my own home.

Being a homeowner means so much to my children and me. We can now say we own a piece of the American pie. My children can look at me with pride in their little eyes and say, "if mommy can do so can I". Being a minority and a single mom becoming a homeowner not only strengthened me to become a better person, it also pushed me to show my children hard work really pays off in the end.

Please consider supporting AB 817 to strengthen our neighborhoods through homeownership by helping more families like mine become successful homeowners.

Thank you.

Sincerely,

Danielle Leonard
Customer Service Specialist
Aurora VNA
(414) 329-5540-phone
(414) 327-6965-Fax
Danielle.Leonard@aurora.org

cc: Rep. Polly Williams
Rep. Robert Turner
Rep. Sandy Pasch
Rep. Roger Roth
Rep. Scott Newcomer
Rep. John Murtha

March 22, 2010

Representative Leon Young
Room 11 North
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Young:

I am a successful and proud homeowner thanks partly to Next Door Foundation employer assisted homeownership program and the services and resources I received from Select Milwaukee. The help and resources made all the difference in the world to my family and me. Because I think more working people should have the opportunity for homeownership, I am writing to express my support for AB 817 about employer assisted housing, the WI Employer Assisted Housing Act.

- Since my employer is a United Way funded agency I was eligible to receive a \$2,000 United Way grant.
- Select Milwaukee assisted me with a \$2,500 down payment loan. Counselor Charles Rozewicz went over and above making home ownership possible for me. When everything seemed to fall apart Charles encouraged me and made suggestions as to other options that I could try.
- Under the Wisconsin Neighborhood Advantage program I received funding assistance in the form of a 0% interest, no monthly payment, forgivable loan, which provided up to 20% in down payment assistance.
- After receiving a \$10,000 cut in salary I thought home ownership would not happened for me. But for the grace of God and the various resource programs I can now realize the dream of home ownership.

I know these are challenging times, but increasing employer assisted homeownership through AB 817 is an opportunity to bring together government and the nonprofit and private sectors to strengthen our communities through homeownership by helping more families like mine achieve successful homeownership.

Thank you for your leadership on this important issue.

Sincerely,

Margaret Martin

cc: Rep. Polly Williams
Rep. Robert Turner
Rep. Sandy Pasch
Rep. Roger Roth
Rep. Scott Newcomer
Rep. John Murtha

March 22, 2010

Representative Leon Young
Room 11 North
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Young:

I am a successful and proud homeowner thanks to The Boys and Girls Clubs of Greater Milwaukee's employer assisted homeownership program and the services and resources I received from Select Milwaukee. The help and resources made all the difference in the world to my family and me. Because I think more working people should have the opportunity for homeownership, I am writing to express my support for AB 817 about employer assisted housing, the WI Employer Assisted Housing Act.

As a first time homebuyer, Select Milwaukee and EAH assisted us greatly by empowering us with all the necessary steps and tools we needed to make our dream of owning a home become reality.

Select Milwaukee's workshop helped answer questions a first time homebuyer needs by taking us through a detailed step-by-step process of personal finances, credit reports, home inspections and taxes required in buying a home become a reality. Their support system enabled us to prepare for the tenuous and detailed processes required by banking institutions. The search for a home in itself is a very overwhelming experience with so many considerations to evaluate and accommodate a family's needs and desires. Taking on the whole purchasing and loan experience by ourselves would have been an absolute nightmare and we'd more than likely be renters now rather than be proud homeowners. Select Milwaukee's Margaret Weimar and Chuck Rozewicz were there every step of the way. Had it not been for their dedication, we would have dropped out of the house hunt at the very beginning. Select Milwaukee's support allowed us to keep faith and steady perseverance once we located a house in a neighborhood we desired to live in. Initially, the first two banking institutions turned us down flat and it seemed that I didn't have a prayer of finding a bank who would support our dream. Margaret's dedication did not waiver and she always had another support system for us to pursue. Her perseverance helped us keep ours.

Select Milwaukee found \$7,500 in supporting grants to assist us in our down payments and closing costs which additionally helped us lower our monthly mortgage payments. Select Milwaukee also had a plethora of resources such as building inspectors whom we could trust to identify needed renovations. We were also fortunate to have a very reliable and patient realtor, Lynn Kufalk of First Weber Realty whom select Milwaukee worked hand-in-hand with when banking commitment seemed to wane and deadlines kept on expiring; both entities worked diligently to keep our dream alive. There were points in the summer of 2009 where we stopped believing and had it not been for the support of Select Milwaukee's dedication and our realtor's diligence, the experience probably would have swayed us away from purchasing a home for quite a long time.

Owning a home has been such a rewarding experience for our family, especially our two children. Both daughters now have their very own spacious room to call their own. Having multiple bathrooms, a basement, a fireplace, a spacious yard, a two car garage are just some of the luxuries we are thankful for on an everyday basis. We live in a beautiful neighborhood with very friendly and watchful neighbors. There is so much peace, happiness and glory coming home from school or work because we know this is "Our Home". I want you to know how deeply important a program like Select Milwaukee is to the people of our community and why we need such people like Margaret Weimar and Chuck Rozewicz in our community. We walked into this dream not knowing how frustrating and discouraging the experience was and without a support system that enables people to find enriching community resources, there might be a lot more people who would turn away in frustration like we almost did.

I know these are challenging times, but increasing employer assisted homeownership through SB 534 is an opportunity to bring together government and the nonprofit and private sectors to strengthen our communities through homeownership by helping more families like mine achieve successful homeownership.

Thank you for your leadership on this important issue.

Sincerely,

Michael Waite

cc: Rep. Polly Williams
Rep. Robert Turner
Rep. Sandy Pasch
Rep. Roger Roth
Rep. Scott Newcomer
Rep. John Murtha

March 22, 2010

Representative Leon Young
Room 11 North
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Young:

I am a successful and proud homeowner thanks to Sojourner Family Peace Center's employer assisted homeownership program and the services and resources I received from Select Milwaukee. The help and resources made all the difference in the world to my family and me. Because I think more working people should have the opportunity for homeownership, I am writing to express my support for AB 817 about employer assisted housing.

I believe homeownership increases the sense of connection and accountability to our community, and having the support and education provided by Select Milwaukee made the process of homeownership much easier to navigate. The program's funding allowed us to purchase our home without the financial stress that we would otherwise have faced. Overall, the process, with Select Milwaukee by our side, was fluid and efficient. As a family that has dedicated itself to non-profit and human services work, we are grateful for this support as the contents of our bank account are not nearly as abundant as those of our moral bank account.

I know these are challenging times, but increasing employer assisted homeownership through AB 817 is an opportunity to bring together government and the nonprofit and private sectors to strengthen our communities through homeownership by helping more families like mine achieve successful homeownership.

Thank you for your leadership on this important issue.

Sincerely,

Luke Waldo
Community Resource Coordinator
Sojourner Family Peace Center
(414) 276-1911 ext. 18

cc: Rep. Polly Williams
Rep. Robert Turner
Rep. Sandy Pasch
Rep. Roger Roth
Rep. Scott Newcomer
Rep. John Murtha



March 24, 2010

To: Representative Leon Young, Chairman, and Members of the Assembly Committee on Housing

From: Raymond Schmidt, Executive Director

Re: Support for AB 817 – Wisconsin Employer Assisted Housing Act

I am writing to thank you for considering AB 817 and, on behalf of Select Milwaukee, ask for your support for this important legislation.

Select Milwaukee is a NeighborWorks® America-chartered nonprofit organization that provides a range of services and resources to assist modest-income greater Milwaukee families achieve and maintain the dream of homeownership. Since 2000, we've assisted over 1,700 families become homeowners and provided counsel to hundreds facing foreclosure.

Many of the families we've had the privilege to serve have come to us through one of a number of employer assisted housing programs we administer. Employer-assisted housing (EAH) is a cost effective, easy to administer, hassle free way for employers to help their employees buy or rent homes close to work. Eleven diverse employers in Milwaukee – from Aurora Health Care, Northwestern Mutual and Harley-Davidson to the United Way, Visa Lighting and the Boys and Girls Clubs – and others elsewhere in the state and across the country, work with local housing experts like Select Milwaukee to provide homeownership education and financial counseling, and to manage the down payment assistance provided by employers through their EAH programs.

More than ever it's clear that the public sector alone can't solve the housing challenges facing Wisconsin's workers and our neighborhoods. EAH is a stellar and successful example of public, private and nonprofit sector collaboration, precisely the kind envisioned by a steady Federal policy shift toward rewarding partnerships and cooperation for sustainable communities that improve access to affordable housing, expand transportation options, and lower transportation costs while protecting the environment and combating climate change in communities nationwide.

The results of EAH, while in the whole scheme of things modest, are nonetheless impressive. Among the results:

- ***Incredible leverage of private sector resources*** – since 2004 employers have invested about \$1.7million in EAH; each one of those dollars yields
 - \$39 in residential real estate sales – a total of \$63.4 million
 - \$35 in quality mortgage investment – total \$59.9 million
 - An additional 69 cents of purchase and repair subsidy for employee home buyers – total \$1.2 million
- A primary goal of the tax credit proposed in AB 817 is to incent more companies to establish EAH programs – especially in these challenging economic times when businesses are not necessarily looking at how to spend more on employee benefits; if the past seven years are any indication, and we believe they will be, ***we conservatively estimate that each dollar of tax credit provided will yield over \$70 in private sector investment in housing and homeownership***, contributing to community stability and the tax and employment base
- ***We've been able to show real bottom-line value for employers that offer EAH benefits***, including improved employee retention, loyalty, productivity and achievement of workplace diversity goals; as we look ahead, more employers will want to invest in housing solutions for their workforce as they better understand the connection between housing and a competitive workforce – AB 817 will further encourage this thinking
- ***EAH makes a real difference in the lives of employees*** using the program and its housing counseling and financial assistance to become homeowners, achieve great personal financial stability, avoid foreclosure:
 - EAH guided Dawn, a UWM employee with good credit but limited affordability, through cancelled preapprovals by WHEDA and another lender during the financial collapse in late 2008; Select Milwaukee helped Dawn secure FHA financing and over \$13,000 in resources for downpayment and repairs for the home she and her two children purchased in Senator Taylor and Rep. Fields' districts
 - United Way's Next Step Home program was the primary motivating factor for Mary, an employee of the 16th St. Community Health Center, to pursue homeownership in Bay View in Sen. Plale and Rep. Richards' districts

- Robert and Bao were convinced they couldn't afford a home, so they continued to live with family members until they learned about the Milwaukee Center for Independence employee homeownership program – three months later they purchased a home in Senator Darling and Rep Ott's districts
- ***Overall, 571 employee-homebuyers since 2004:***
 - ***99% never before owned a home***
 - ***39% were African-American, 12% Latino***
 - ***31% of customers are women who head their household***
 - ***median income 71% of Milwaukee metro median***
 - ***They face foreclosure less than half as often as the average Milwaukee homeowner***

We need to expand the base of private sector partners engaged in community reinvestment and housing and homeownership affordability. EAH has demonstrated impressive leverage of private resources that in turn provide far-reaching benefits to communities and families. We believe AB 817 will encourage increased levels of private sector community investment and help secure stable and affordable housing that continues to elude many hard-working families in Wisconsin.

Thank you again for considering AB 817. Again, we ask for your support for this important legislation.